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STATINTL

Agent Accuses Onassis Of Fraud in Tanker Deal

From the Herald Tribune Bureau
PARIS Nov 19 — Aristotle

Socrates Onassis, the Greek-born Argentinian operator of tankers, freighters and whalers all over the world, was charged here today with defrauding the agent who claims he obtained a lucrative deal for Mr. Onassis with the Saudi Arabian government giving the latter's ships priority in transporting Arabian oil.

The charges were filed by Spyridon Catapodis, an international entrepreneur, in Paris Criminal Court. A hearing has been set for Tuesday. If Catapodis is upheld, Mr. Onassis could be punished by a jail sentence and ordered to pay restitution to Mr. Catapodis under French law.

In New York, Mr. Onassis denounced the charges as "malicious lies." Catapodis was never employed by me," he said in his offices at 655 Madison Ave. He also denounced as forgeries and fakes a series of documents produced by Mr. Catapodis alleging that Mr. Onassis paid \$830,000 to top Arabian government officials and made other promises of payments for their aid in obtaining the contract.]

Charges Ink Disappeared

The Paris court action asserted that Mr. Onassis promised to pay Mr. Catapodis £125,000 (\$350,000) when the Arabian deal was signed; another £75,000 \$210,000 when the ships began to carry the oil and 2 per cent of the amount of the net cargo.

Mr. Catapodis alleged that his contract with Mr. Onassis was signed with disappearing ink that became obliterated. When he protested to Mr. Onassis, the complaint said, the ship operator recognized the protest in front of witnesses and promised to sign another contract. He said this was not done.

The complaint continued that "by various fraudulent maneuvers, he annulled for the plaintiff, funds and a contract which should have existed for the benefit of the latter."

Under the tanker contract with Arabia Mr. Onassis agreed to establish a deep-sea Arabian merchant fleet by transferring a minimum of 500,00 tons of tankers to the Arabian flag and organizing a maritime school to train Arabian crews. He also

agreed to pay a shilling (14 cents) a ton to the Arabian government for each ton of oil transported.

In return, Onassis ships would have first priority in transporting any Arabian petroleum with the exception of whatever ships were in operation to Arabia on Dec. 31, 1953, by the four oil companies making up the Arabian American Oil Co. Amamco, which has the exclusive concession to produce Arabian petroleum, comprises the Socony Vacuum Oil Co., the Standard Oil Co. of New Jersey, the Texas Co. and the Standard Oil Co. of California.

The agreement has been protested by seven nations including the United States and by all the independent tanker companies competing with Mr. Onassis.

"Propaganda," Onassis Says

In his comment yesterday, Mr. Onassis said: "These accusations are part of the propaganda that has been going on ever since the agreement was published with the sole purpose to jeopardize the contract."

"They are completely unfounded," he added.

Mr. Onassis said that he is now negotiating with the four companies making up Aramco for a settlement of their objections to the agreement. The negotiations were ordered by the Arabian government, he said, but declined to disclose on what basis a settlement could be reached.

If a settlement is not reached by Dec. 1, the Arabian government will arbitrate the question of its right to make the pact with Mr. Onassis under the Aramco oil concession. The principal arbitrator would be selected by the International Court at The Hague, he said.

Opponents of the Arabian-Onassis deal assert that if permitted to stand, it will create a mad scramble throughout the world for preference concessions by other tanker companies, eliminating freedom to compete for oil cargoes. They also assert that Onassis tankers would get a monopoly as Aramco tankers which were in operation before Dec. 31 are withdrawn from service as obsolete. This would bring an increase in the price of petroleum, they predict.

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